

DEPARTMENT OF HEALTH AND HOSPITALS

Medicaid Reform Initiative

Due to the significant budget cut being allocated to Department of Health and Hospitals, it would not be possible to maintain a viable Medicaid program without a corresponding significant change in that program. Presented in this Executive Budget is a recommendation that involves a revolutionary restructuring of the Medicaid program, "The Medicaid Reform Initiative".

The Medicaid Reform Initiative involves a restructuring of services and finances. The initiative provides for either elimination or reduction of the traditional institutional model of healthcare delivery and emphasizes the provision of preventive and primary care and community-based services based on consumer choice. Funds traditionally expended on institutional/tertiary care would be re-directed to primary and preventive care, the purchase of health insurance for the uninsured, and other waiver services. The initiative maximizes the use of 175% of Disproportionate Share Hospitals (DSH) funding available for two years beginning July 1, 2003, by accessing federal funds that would otherwise be unavailable without restructuring. This initiative is consistent with recent flexibility in healthcare finances provided to states by the federal government.

Without this restructuring, access to care for Medicaid recipients and the uninsured would face severe reductions relative to the current levels or levels expected in the Medicaid Reform Initiative.

Department of Health and Hospitals	Medicaid Reform Initiative	Existing Operating Budget	Medicaid Reform Over/(Under) EOB
Office of the Secretary	\$46,779,394	\$48,138,076	(\$1,358,682)
Medical Vendor Administration	\$164,303,054	\$163,537,815	\$765,239
Developmental Disabilities Council	\$2,131,595	\$2,086,767	\$44,828
Jefferson Parish Human Services Authority	\$15,730,626	\$14,797,775	\$932,851
Capital Area Human Services District	\$22,316,780	\$21,966,321	\$350,459
New Orleans Home and Rehabilitation Center	\$6,909,076	\$6,888,270	\$20,806
Villa Feliciana Hospital	\$0	\$16,965,952	(\$16,965,952)
Medical Vendor Payments - Payments to Private Providers			
Adult Dentures	\$336,310	\$3,946,316	(\$3,610,006)
Behavior Management	\$9,450,000	\$9,450,000	\$0
Case /Management Services	\$14,782,607	\$13,436,441	\$1,346,166
Certified Registered Nurse /Anesthetists (CRNA)	\$6,829,556	\$6,221,326	\$608,230
Durable Medical Equipment	\$27,678,493	\$32,907,206	(\$5,228,713)
Early and Periodic Screening, Diagnosis and Treatment (EPSDT)	\$79,736,245	\$74,415,929	\$5,320,316
Family Planning	\$10,113,695	\$8,131,774	\$1,981,921
Federally Qualified Health Centers	\$5,454,222	\$4,492,599	\$961,623
Hemodialysis Services	\$28,675,088	\$24,283,835	\$4,391,253
Home Health Services	\$26,719,010	\$24,945,156	\$1,773,854
Hospital - Inpatient Services	\$432,343,438	\$529,045,096	(\$96,701,658)
Hospital - Outpatient Services	\$183,871,541	\$152,791,961	\$31,079,580
Intermediate Care Facilities for the Mentally Retarded (ICF/MR) - (MR/DD Community Placement)	\$134,052,746	\$183,167,684	(\$49,114,938)
Laboratory and X-Ray Services	\$57,411,542	\$50,476,265	\$6,935,277

DEPARTMENT OF HEALTH AND HOSPITALS

Medicaid Reform Initiative

Department of Health and Hospitals	Medicaid Reform Initiative	Existing Operating Budget	Status Quo Over/(Under) Medicaid Reform
Mental Health - Inpatient Services	\$1,976,666	\$6,958,796	(\$4,982,130)
Mental Health Rehabilitation Services	\$40,907,511	\$33,439,740	\$7,467,771
Nursing Homes	\$409,589,349	\$585,978,382	(\$176,389,033)
Pharmaceutical Products and Services	\$503,928,272	\$602,883,838	(\$98,955,566)
Physician Services	\$287,544,653	\$255,201,159	\$32,343,494
Rehabilitation Services	\$10,961,403	\$1,340,484	\$9,620,919
Rural Health Clinics	\$12,866,281	\$10,731,057	\$2,135,224
Transportation - Emergency Ambulance	\$22,086,807	\$19,542,433	\$2,544,374
Transportation - Non-Emergency Ambulance	\$7,275,993	\$8,586,759	(\$1,310,766)
Transportation - Non-Emergency Non-Ambulance	\$8,646,697	\$8,467,365	\$179,332
Waiver -Adult Day Health	\$4,624,073	\$6,861,538	(\$2,237,465)
Waiver - Adult Capped	\$0	\$0	\$0
Waiver - Children's Choice	\$3,773,024	\$5,672,811	(\$1,899,787)
Waiver - Elderly & Disabled Adults	\$47,570,526	\$21,902,802	\$25,667,724
Waiver - MR/DD (Community Services)	\$453,651,689	\$168,962,088	\$284,689,601
Other Private Providers	\$18,295,376	\$17,526,236	\$769,140
Personal Care Attendant (PCA)	\$28,000,000	\$0	\$28,000,000
Health Insurance Flexibility and Accountability Act (HIFA) Buy-In	\$383,338,019	\$0	\$383,338,019
Ticket To Work	\$5,891,664	\$0	\$5,891,664
Mental Health Clinics	\$10,000,000	\$0	\$10,000,000
Total Payments to Private Providers	\$3,278,382,496	\$2,871,767,076	\$406,615,420
Medical Vendor Payments - Payments to Public Providers	\$349,382,240	\$399,322,762	(\$49,940,522)
Medical Vendor Payments - Medicare Buy-In and Supplements	\$120,114,503	\$94,495,821	\$25,618,682
Medical Vendor Payments - Uncompensated Care Costs	\$783,475,139	\$811,730,242	(\$28,255,103)
Medical Vendor Payments - Auxiliary (Nursing Home Intergovernmental Transfer (IGT))	\$6,998,740	\$193,747,835	(\$186,749,095)
Total Medical Vendor Payments	\$4,538,353,118	\$4,371,063,736	\$167,289,382
Office of Public Health	\$286,687,629	\$267,484,324	\$19,203,305
Office of Mental Health	\$166,232,837	\$245,685,249	(\$79,452,412)
Office of Citizens with Developmental Disabilities	\$161,865,458	\$223,287,208	(\$61,421,750)
Office for Addictive Disorders	\$65,819,866	\$68,564,970	(\$2,745,104)
Total Department of Health and Hospitals	\$5,477,129,433	\$5,450,466,463	\$26,662,970